

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

LR No.: 0774-02
Bill No.: Perfected HCS for HBs 122 & 80
Subject: Transportation: Kansas City Area Transit Authority
Type: Original
Date: February 12, 2003

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
General Revenue	\$139,366	\$281,519	\$142,167
Total Estimated Net Effect on General Revenue Fund	\$139,366	\$281,519	\$142,167

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Total Estimated Net Effect on Other State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 4 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Local Government	\$13,936,606	\$28,151,945	\$14,216,732

FISCAL ANALYSIS

ASSUMPTION

Officials of the **Kansas City Manager's Office** stated there would be no fiscal impact to the City of Kansas City.

Officials of the **Kansas City Area Transportation Authority** stated that this proposal would have a positive fiscal impact to their authority. Officials assume that to extend the sales tax for another 2 years would produce necessary income for the Authority.

Officials of the **Department of Revenue** stated that extending the sales tax to be collected for the Kansas City Area Transportation Authority would have no fiscal impact to the Department, however, the 1% collection fee would be continued for the State's General Revenue Fund.

Oversight assumes, based on a similar fiscal note from a prior session, that the sales tax extension would generate \$13,936,606 for 6 months of FY 2004. Officials assumed **1% annual growth**, and estimated that revenues would be approximately \$28,151,945 in FY 2005: and \$14, 216,732 for 6 months of FY 2006. Pursuant to this proposal, the sales tax is to expire on December 31, 2005, or state fiscal year 2006.

ASSUMPTION continued

Oversight assumes the 1% collection fee would generate approximately \$139,366 for 6 months of FY 2004, and would generate \$281,519 in FY 2005; and \$142,167 for 6 months of FY 2006. These monies would be deposited in the State's General Revenue Fund.

<u>FISCAL IMPACT - State Government</u>	FY 2004 (6 Mo.)	FY 2005	FY 2006 (6 Mo.)
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GENERAL REVENUE FUND

<u>Income</u> to General Revenue Fund from DOR 1% collection fee	<u>\$139, 366</u>	<u>\$281, 519</u>	<u>\$142,167</u>
ESTIMATED NET EFFECT TO GENERAL REVENUE FUND	<u>\$139, 366</u>	<u>\$281, 519</u>	<u>\$142, 167</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2004 (6 Mo.)	FY 2005	FY 2006 (6 Mo.)
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<u>Income</u> to Kansas City Area Transit Authority Continuation of 1/2% sales tax	<u>\$13, 936, 606</u>	<u>\$28, 151, 945</u>	<u>\$14, 216, 732</u>
ESTIMATED NET EFFECT TO LOCAL GOVERNMENT	<u>\$ 13, 936, 606</u>	<u>\$28, 151, 945</u>	<u>\$14, 216, 732</u>

FISCAL IMPACT - Small Business

Small businesses would be expected to be fiscally impacted to the extent that they pay local sales tax on taxable items. The extension of the Kansas City transportation sales tax would cause small businesses to continue to pay the local rate for such taxable items.

DESCRIPTION

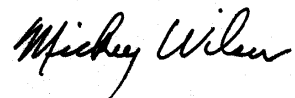
This substitute revises provisions pertaining to the public mass transportation system sales tax for Kansas City. A portion of the public mass transportation system sales tax used to fund the expenses and operating costs of the Interstate Transportation Authority and the public mass transportation system will expire on December 31, 2003. The substitute changes the expiration date to December 31, 2005.

The substitute also adds "intra-community transit services" to the list of services that are provided by the Interstate Transportation Authority and funded by the tax.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Revenue
Kansas City Area Transit Authority
Kansas City Manager's Office



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Director
February 12, 2003

LR No. 0774-02
Bill No. Perfected HCS for HB 122 & 80
Page 5 of 4
February 12, 2003

RWB:LR:OD (12/02)